

**Department of Personnel Administration
Memorandum**

TO: Personnel Management Liaisons (PML)

SUBJECT: Annual Premium Review for Basic Group Term Life Insurance, Supplemental Life Insurance, and Long-Term Disability Programs	REFERENCE NUMBER: 2004-065
DATE ISSUED: 12/06/04	SUPERSEDES:

This memorandum should be forwarded to:

**Personnel Officers
Personnel Transactions Supervisors
Benefit Officers**

FROM: Department of Personnel Administration
Benefits Division

CONTACT: Susan Wong, Benefits Program Analyst
(916) 324-0533
Fax: (916) 322-3769
Email: susanwong@dpa.ca.gov

Effective January 1, 2005, premium changes take effect for certain employees enrolled in the Basic Group Term Life Insurance, Supplemental Life Insurance, and Long-Term Disability (LTD) Programs for excluded employees. These changes are based on the employee's age, salary, and/or policy amount.

Basic Group Term Life and Supplemental Life Insurance

The Basic Group Term Life Insurance policy for enrolled excluded employees requires that once an **active** employee reaches age 70, his/her employer-paid life insurance premium and benefit will be reduced by 50 percent on January 1 of the following year. Therefore, effective January 1, 2005 (December 2004 pay period), the employer-paid premium will be reduced by 50 percent for employees who turned age 70 during 2004. For managerial employees, the benefit will be reduced from \$50,000 to \$25,000. For confidential and supervisory employees, the benefit will be reduced from \$25,000 to \$12,500.

Supplemental Life Insurance plan premiums are based on age and the amount of insurance purchased. Metropolitan Life Insurance Company (MetLife) conducts an annual audit to determine whether a premium increase is necessary, based on an employee's age. MetLife will notify affected employees of any premium increases, and the State Controller's Office will implement the increases effective January 1, 2005 (December 2004 pay period).

Employees who have questions regarding these increases should call MetLife at 1-800-252-8524.

Long-Term Disability (LTD) Annual Age Review

The formula for calculating premiums for employees enrolled in the LTD program is based on several factors, including the employee's base salary, age, and retirement category (e.g., Miscellaneous or Safety). On January 1, the annual age/salary update is conducted for all employees enrolled in the LTD program. The State Controller's Office will audit the payroll history files to identify employees who experienced salary/age changes during the current year (2004) that affect their premiums. Premiums for employees who have moved to the next higher premium age group (e.g., from age 39 to 40, 49 to 50, etc.) will increase effective January 1, 2005 (December 2004 pay period).

If you have questions, please contact Susan Wong at (916) 324-0533.

/s/Debbie Endsley

Debbie Endsley, Division Chief
Benefits Division

cc:Metropolitan Life Insurance
Standard Insurance Company
California Fairs Services Authority
California Exposition & State Fair